

March 2, 2017

Barry Wood  
Director Assessment Division  
Department of Local Government Finance  
Indiana Government Center North  
100 North Senate Avenue N1058(B)  
Indianapolis, IN 46204

Dear Barry,

We have completed the 2017 ratio study for Knox County. All sales we deemed valid were used, including multi-parcel sales and land sales that have since been improved. We used sales between 1/1/16-12/31/2016 for all properties.

### **Residential and Ag Homesites**

We grouped all townships together for "Vacant Residential" land sales to create a better market comparison. The townships were grouped together because this is mostly a rural area that shares similar economic factors. This allowed us to include all sales in a similar area, rather than basing land rates on one or two sales. The residential vacant land market is very minimal with exception to a few newer subdivisions within the city of Vincennes. Rates were changed as necessary.

We grouped Decker, Steen, and Vigo Townships together for the "Improved Residential" portion of the ratio study because these Townships incumbent the flood plain and share similar economic factors. These are mostly rural areas with a few small towns within them. Busseron, Harrison, Johnson, Palmyra, Vincennes, Washington, and Widner Townships were not grouped with any other townships for the "Improved Residential" portion of the ratio study. Trending factors have been added to help bring the median ratios closer to 1.00.

### **Commercial and Industrial**

We grouped the Commercial and Industrial properties within each township together when developing trend factors, since the construction types and sizes of these properties are very comparable and have similar economic factors. We have adjusted building factors within neighborhoods that bring us closer to a market value. There are very few Commercial and Industrial vacant land sales due to the fact that most of the land in Knox County is in row crop. An exception to that is the city of Vincennes. While there is very minimal row crop in the city of Vincennes there is also very minimal undeveloped land. However, there were two valid commercial vacant land sales in the County. With only two valid land sales, there was a lack of market information to have a separate commercial vacant study of its own. For this reason we did group the Commercial Industrial Improved and Vacant sales into one study group. Upon reviewing the sales for commercial and industrial properties we identified that the small acre adjustment was not being applied to primary land which was resulting in our properties under one acre to come in undervalued in relation to our properties over one acre. This was reviewed and the small acre adjustment was applied to Primary land in all areas throughout the County. This did result in many properties fluctuating in value. This change, which resulted in the sales being more in line with the market, also brought our price related differential (PRD) to an acceptable level.

### **Large Change Area**

When reviewing our value change by Townships we identified (14) areas that we felt needed addressed. Those areas are broke down by study section then Township below.

**Commercial Vacant:**

1. Harrison Township-Approximately a 38% or \$3,800 increase. This is due to parcels 42-16-12-410-031.000-005, 42-16-12-410-017.000-005, & 42-16-12-410-036.000-005 that increased an average of \$1,300 after the small acre adjustment was applied.
2. Johnson Township-Approximately a 19% or \$7,700 decrease. This is due to the improvements on parcel 42-22-16-105-008.000-007 being removed and the property class changed from improved to vacant.
3. Steen Township-Approximately a 48% or \$1,500 increase. This is due to parcel 42-10-28-216-056.000-010 increasing after the small acre adjustment was applied.
4. Vincennes Township-Approximately a 13% or \$445,000 increase. This is due to parcel 42-12-27-108-010.000-022 being moved to a different neighborhood resulting in a higher land rate and parcel 42-12-27-201-024.000-027 having land added to it from another parcel.
5. Widner Township-Approximately a 14% or \$15,400 increase. This is mostly attributed to parcels 42-03-16-301-044.000-021, 42-03-22-100-003.000-021, & 42-03-16-301-034.000-021 that increased an average of \$3,200 after the small acre adjustment was applied.

**Industrial Improved:**

1. Harrison Township-Approximately a 11% or \$688,000 decrease. This is due to parcels 42-16-21-100-003.000-004, 42-16-21-100-001.000-004, 42-16-16-400-001.000-004, & 42-16-21-100-002.000-004. These parcels had part of their land and improvements split off of them to another parcel.

**Industrial Vacant:**

1. Vincennes Township-Approximately a 10% or \$179,200 decrease. This is due to parcel 42-12-27-407-019.000-022 & 42-12-21-308-056.000-022 having their buildings demolished and the property class changed from improved to vacant.

**Residential Vacant:**

1. Busseron Township-Approximately a 30% or \$207,100 decrease. This is due to parcel 42-04-17-200-013.000-001 having its buildings split to another parcel and parcel 42-04-05-100-013.000-001 had its building moved to another parcel per review by the field inspector; both instances the property class was changed from improved to vacant.
2. Johnson Township-Approximately a 25% or \$81,000 decrease. This is due to parcel 42-15-13-100-009.000-006 & 42-22-16-112-009.000-007 having the buildings moved to another parcel per review by the field inspector; both instances the property class was changed from improved to vacant.
3. Palmyra Township-Approximately a 27% or \$301,000 decrease. This is due to parcel 42-11-18-300-008.000-008 having its buildings moved to another parcel per review by the field inspector and parcel 42-11-10-400-005.000-008 having the improvements demolished; both instances the property class was changed from improved to vacant.
4. Vigo Township-Approximately a 48% or \$823,000 decrease. This is an area that was reviewed this year. There was (8) parcel that had buildings demolished and (8) parcels that had the buildings moved to another parcel per review by the field inspector; both instances the property class was changed from improved to vacant.
5. Vincennes Township-Approximately 10% or \$821,000 decrease. This is due to (8) parcels that had their buildings demolished and the property class changed from improved to vacant.
6. Washington Township-Approximately a 10% or \$131,000 decrease. This is due to parcel 42-07-22-200-003.000-018 having its buildings moved to another parcel per review by the field inspector and the property class changed from improved to vacant.
7. Widner Township-Approximately a 51% or \$331,000 decrease. This is due to parcels 42-03-07-400-010.000-021, 42-03-16-203-006.000-021 & 42-03-16-302-008.000-021 having the buildings moved to another parcel per review by the field inspector; each instance the property class was changed from improved to vacant.

In addition to these large changes for each Township we did find (6) areas that over 10% of the parcels increased or decreased more than 10% in a few areas. These are listed below.

1. Commercial Improved had (130) parcels decrease more than 10%. There was (85) parcels that had a large break in the depreciation schedule this year resulting in this decrease to value.
2. Commercial Improved had (274) parcels increase more than 10%. When reviewing these parcels there were (250) that were related to the small acre adjustment being applied. Several of these increasing over 10% are a very minimal dollar amount change but the small assessed value reflects a high percent change.
3. Commercial Vacant had (28) parcels decrease more than 10%. There was (10) parcels where the improvements were removed and the property class was updated from commercial improved to commercial vacant, which reflects a large change to commercial vacant.
4. Commercial Vacant had (99) parcels increase more than 10%. When reviewing these parcels there were (93) that were related to the small acre adjustment being applied. Several of these increasing over 10% are a very minimal dollar amount change but the small assessed value reflects a high percent change.
5. Industrial Vacant had (8) parcels decreasing more than 10%. When reviewing these there were (4) that are a \$100 change which was attributed to an adjustment to the land rate after the small acre adjustment was applied. In addition to that, there were (2) that had buildings demolished and the property class was changed from improved to vacant.
6. Industrial Vacant had (10) parcels increase more than 10%. When reviewing these parcels there were (9) that were related to the small acre adjustment being applied. Several of these increasing over 10% are a very minimal dollar amount change but the small assessed value reflects a high percent change.

### **Summary**

Overall, we saw a slight increase in value within Knox County. As for year three of the cyclical reassessment, we reviewed within the districts of Johnson Township, Decker Town, Vigo-South Township, Bicknell City-Vigo Township, Edwardsport Town, Sandborn Town, Widner Township, Vigo-North Township, and Vigo-Central Township which you will see reflected in the workbook.

If you have any questions feel free to contact me.

Sincerely,

Cathy Lane